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# Security Council

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## Letter dated 2 July 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 10 April 2002 (S/2002/401).

The Counter-Terrorism Committee has received the attached supplementary report from Croatia, submitted pursuant to paragraph 6 of resolution 1373 (2001).

I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Counter-Terrorism Committee

02-46979 (E) 160702

**Annex**

## Letter dated 21 June 2002 from the Chargé d'affaires a.i. of the Permanent Mission of Croatia to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

With reference to your letter dated 19 April 2002 conveying the preliminary comments of the Counter-Terrorism Committee on the report of the Government of the Republic of Croatia, I have the honour to enclose herewith the response of the Government of the Republic of Croatia to those comments (see enclosure).

(*Signed*) Jasna **Ognjanovac**
Deputy Permanent Representative of the Republic of Croatia
Charge d'affaires a.i.

**Enclosure**

## Response of the Government of the Republic of Croatia to the questions posed by the Chairman of the Counter-Terrorism Committee in his letter dated 1 March 2002

**Sub-paragraph 1 (a):**

***Please explain the changes carried out in the current laws and in the bills under legislative process in Croatia with particular reference to the fulfilment of the requirements under this Sub-paragraph (i.e. the suppression of the financing of terrorism).***

1. Since Croatia submitted its Report pursuant to Paragraph 6 of Security Council Resolution 1373 (2001) of 28 September 2001 to the Security Council Counter-Terrorism Committee, the following laws have entered into force: Criminal Procedure Act, Law on the Intelligence Services, Law on Defence and Law on Domestic Money Transactions. Other laws mentioned in Croatia's Initial Report to Counter-Terrorism Committee are still under legislative process.

2. The Croatia's national legislation enables Croatia to comply fully with the requirements of the Security Council Resolution 1373 (2001). The changes recently introduced do not directly relate to fight against terrorism, because it was determined during the preparatory work on these bills that requirements under resolution 1373 (2001) were already fulfilled in existing laws and bills.

3. With regard to the amendments related to the suppression of the financing of terrorism, Article 10, Paragraph 2 of the Law on the Prevention of Money Laundering is altered in a way that the Office for the Prevention of Money Laundering is now authorised to extend the deadline for implementing a transaction according to the provisions of the Article 2 of the Law on the Prevention of Money Laundering (financial and non-financial sector) from 2 to 72 hours. This provision applies to all the transactions where there is an indication of a possible money laundering or a criminal act connected to money laundering, including terrorist activities. In the mentioned cases, the Office simultaneously reports to the relevant governing bodies, i.e. to the Ministry of the Interior and the State Attorney. Also, a new Law on the Prevention of Money Laundering is under preparation. The basic intention of this Law is to enhance the tracking of suspicious transactions and identification of the final user. This Law is expected to enter into force by the end of this year.

4. In addition to the above-mentioned, the Ministry of Justice is undergoing tasks to establish a Working Group mandated to prepare the amendments to the Criminal Code. One of the articles under consideration is Article 169, which relates to international terrorism. The issue at hand with regard to this Article is to outlaw the preparatory actions for the execution of the criminal offence of the international terrorism.

***Please indicate how Croatia would deal with a case where a person/entity suspected of supporting terrorism outside Croatia is holding funds in Croatian financial institutions.***

5. In a case where a person/entity suspected of supporting terrorism outside Croatia is holding funds in Croatian financial institutions, there are two possibilities. If a request to freeze the funds from the other state exists, the Croatian authorities should act in compliance with the request, on the basis of determined procedure. Simplified procedure prescribed by the Convention 141 of the Council of Europe is applied with the parties to this Convention. Otherwise, the procedure is the same as applied in the case of the support of the international terrorism inside the Republic of Croatia.

6. The request by foreign courts considering the provision of information on the seizure of the means, proceeds or assets resulting from criminal offence shall be decided on by the competent Croatian court, while the requests by other government agencies shall be decided on by the Head of the Office for Prevention of Corruption and Organised Crime.

7. The procedure of seizure of the assets is regulated by various articles of the Law on the Office for Prevention of Corruption and Organised Crime (Articles 44, 48, 50, 56), which was appended as Annex VI to Croatia's Report submitted in accordance with the Security Council Resolution 1373 (2001). The Office for Prevention of Corruption and Organised Crime and the courts shall act pursuant to the provisions of the Seizure Act (Official Gazette of the Republic of Croatia No. 57/96 and No. 29/99) and the Criminal Procedure Act (Article 44) in order to secure the means, proceeds or assets resulting from the criminal offences mentioned in Article 21 hereof.

8. Action of the Anti-Money Laundering Office requires a letter on suspicious transactions of the relevant state authorities or the request of the related services abroad (FIU). The Office would report on its results to both the Ministry of the Interior and the State Attorney, following the provisions of the Criminal Procedure Act on temporary ban on the use of the mentioned financial means. The Office for the Prevention of the Money Laundering has also to inform the Office for Prevention of Corruption and Organised Crime, if it is reasonable to assume that any means, proceeds or assets result from the criminal offences (Article 48, Section 1). The banks and other legal entities and natural persons referred to in Article 2 of the Law on the Prevention of the Money Laundering have to, at the request of the Head of the Office for Prevention of Corruption and Organised Crime, promptly forward the information of the balance of the accounts of the person suspicious of hiding the source of such money, or of gaining such money for the criminal proceedings. If the period for forwarding such information set by the Office in its request has been exceeded without a justified reason, the responsible person shall be liable for the criminal offence of obstructing the evidence pursuant to Article 304, Paragraph 2 of the Criminal Code.

**Sub-paragraph 1 (b):**

***In view of Croatia signing the International Convention for the Suppression of the Financing of Terrorism, is there a proposal to amend the Criminal Code to incorporate the requirements of the Convention?***

9. The Ministry of Justice is undergoing tasks to establish a Working Group mandated to prepare the amendments to the Criminal Code. The Working Group should take into consideration the International Convention for the Suppression of the Financing of Terrorism during its deliberation.

**Sub-paragraph 1 c:**

***This Sub-paragraph requires freezing without delay of funds, financial assets or economic resources of persons who commit or facilitate acts of terrorism. The current law of Croatia allows "seizure of assets if an act of international terrorism was committed". Please clarify whether there has to be an associated criminal act before the funds, financial assets and economic resources of persons and entities supporting terrorism could be frozen.***

10. In accordance with relevant laws of the Republic of Croatia, the criminal offence needs to be attempted or executed in order to freeze the financial means. Nevertheless, it is also possible to sequester or prior freeze the means, if a solicitor or an assistant for the execution of such criminal offences is involved. Therefore, should there be a question of soliciting the international terrorism and proving the offence of soliciting the

international terrorism, the sole criminal offence of the international terrorism need not be attempted in order to sequester or freeze the offender's means.

11. Article 219 of the Criminal Procedure Act regulates the possibility of seizure of financial means assigned for the transaction until the termination of court procedure or until conditions are met for their recovery, if the suspicion exists that it represents an offence or that it serves to conceal an offence or to conceal the benefit obtained in consequence of the commission of an offence.

***Please clarify whether Croatia can freeze funds, financial assets and economic resources in Croatia, on the request of a country, of persons and entities suspected of supporting terrorism.***

12. The freezing is possible upon the request as explained under Sub-paragraph 1(a), Paragraphs 5 to 8.

**Sub-paragraph 1 (d):**

***Please explain the current legal provisions prohibiting the making available of funds, financial assets, economic resources or other related services in support of terrorism.***

13. The answer to this question has already been provided under Sub-paragraphs 1 (b), (c) and (d) of the Croatia's Initial Report submitted pursuant to Paragraph 6 of Security Council Resolution 1373 (2001).

***Please explain whether the proposed adjustments to the existing laws would enable Croatia to comply fully with the requirements of Paragraph 1 of the Resolution.***

14. Croatia's existing laws enable Croatia to comply fully with the requirements of Paragraph 1 of the Resolution.

***Please provide copies of the proposed amendments to the Law on Foreign Currency Transactions.***

15. The copy of the proposed amendments to the Law on Foreign Currency Transactions is attached (Annex I).

**Sub-paragraph 2 (a):**

***Please explain how Croatia regulates the sale, possession and disposition of weapons domestically.***

16. Article 334 and 335 of the Criminal Code prohibit the sale, possession and disposition of weapons domestically. The perpetration of the above-mentioned criminal offence shall be punished by imprisonment from three months to three years. In addition, whoever, without authorisation makes, supplies, possesses or otherwise acquires for himself/herself or a third person firearms, ammunition or explosive substances, whose supply, sale or possession is not permitted to citizens, shall be punished by a fine or imprisonment not exceeding three years. Finally, whoever, without authorisation, supplies, possesses, sells, makes or exchanges large quantities of firearms, ammunition or explosive substances shall be punished by imprisonment from one to five years.

**Sub-paragraph 2 (b):**

***Please provide a list of countries with which Croatia has bilateral co-operation on the exchange of information on terrorism-related matters.***

17. The Republic of Croatia has signed agreements on bilateral co-operation, including the exchange of information on terrorism related matters with the following countries: the Czech Republic, India, Sri Lanka, Italy, Hungary, Bosnia and Herzegovina, Bulgaria, Macedonia, Albania, Slovenia, Poland, Austria, Ukraine, Turkey, Germany (Bavaria, Baden-Wurtemberg), Greece, China, Slovakia, Romania, Chile, Latvia, United Kingdom and United States of America.

***Please provide further explanation on the proposal of the Inter-agency Working Group for Monitoring the National Implementation of the Resolution to the Government of Croatia about the strengthening of the early warning mechanism to ensure better prevention of and response to terrorist acts in a timely manner. Was this proposal approved? If yes, is this proposal incorporated in a degree or a law to Croatian legal framework?***

18. The proposal is still under preparation with relevant state bodies.

**Sub-paragraph 2 c:**

***Please provide a copy of the Act on Asylum as soon as it is brought into force.***

19. The Republic of Croatia shall submit the Act on Asylum as soon as it is brought into force.

***Please provide a progress report on the enactment of the Law on Extradition.***

20. Croatia does not intend to enact a separate Law on Extradition. There is a Law on International Legal Assistance in Criminal Proceedings under preparation that would also include the issue of extradition. Chapters XXX and XXXI of the Criminal Procedure Code are applied until such Law enters into force.

**Sub-paragraph 2 (e):**

***Please inform the Counter-Terrorism Committee (CTC) of the progress of the amendments to Croatia's Criminal Code.***

21 See Paragraph 4.

***Please provide a list of names of countries with which Croatia has bilateral co-operation for mutual assistance in legal proceedings and criminal investigation.***

22. The Republic of Croatia has singed agreements on bilateral co-operation for mutual assistance in legal proceedings and criminal investigation with the following countries: Albania, Algeria, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Cyprus, the Czech Republic, France, Greece, Netherlands, Italy, Hungary, Macedonia, Mongolia, Germany, Poland, Slovenia, USA, Spain, Switzerland, Turkey, Great Britain, the Federal Republic of Yugoslavia and Slovakia.

**Sub-paragraph 2 (f):**

***Croatia is requested to inform the CTC as soon as the Law on International Legal Assistance is brought into force.***

23. The Republic of Croatia shall inform the CTC as soon as the Law on International Legal Assistance in Criminal Proceedings is brought into force.

**Sub-paragraph 2 (g):**

***Please explain whether there is a mechanism for inter-agency co-ordination between narcotic control, financial tracking and border control.***

24. The Office for Combating Money Laundering has a developed network of "liaison officers" for prompt response to dubious transactions and for co-ordination of various activities related to money laundering. Such liaisons are deployed at the Ministry of the Interior, Croatian National Bank, Customs Administration and Tax Authority. Two years ago an inter-departmental agency was set up, headed by the Minister of Finance, to define strategies and measures for combating money laundering and related offences, meeting in quarterly intervals.

25. The General Police Directorate co-ordinates the work of the Border Directorate and the Criminal Police. The Criminal Police Directorate incorporates the specialised Department for Drugs-related Crime, which is responsible for combating the manufacture and illicit trafficking of narcotics, while the Department for Economic Crime and Corruption, in co-operation with the Office for Combating Money-Laundering, criminally investigates suspicious financial transactions.

26. In addition to the above-mentioned, regular inter-agency co-ordination meetings are held among the Ministry of Finance (Customs Administration, Tax Authority, Office for the Prevention of Money Laundering), Ministry of Interior and Office for the Prevention of Corruption and Organised Crime.

**Sub-paragraph 3 (d):**

***Please indicate the intentions of Croatia and the timeframe within which it proposes to ratify the UN conventions it has not yet ratified.***

27. The relevant Croatian state bodies consider a number of UN conventions related to terrorism, which Croatia has not yet ratified. The two UN conventions, which have been identified as priorities and their ratification is expected within a period of one year, are International Convention for the Suppression of the Financing of Terrorism, which Croatia signed on 11 November 2001, and the Convention Against Transitional Organised Crime, which Croatia signed on 12 December 2000.

***Could Croatia also please indicate whether the offences under the relevant conventions are included as extraditable offences under the proposed Law on Extradition?***

28. The Law on International Legal Assistance in Criminal Proceedings, which would also include the issue of extradition, is in an early stage of preparation. The relevant state bodies will be informed of the need to consider inclusion of the offences under the relevant convention as extraditable offences.

**Paragraph 4**

***The CTC would be grateful to know whether your Government has addressed any of the concerns expressed in Paragraph 4 of the Resolution.***

29. See the answer provided in Sub-paragraph 2 (g) and Paragraphs 6. 14. of Croatia's Report of 24 December 2001 submitted pursuant to Paragraph 6 of Security Council Resolution 1373 (2001).

**Other matters:**

***Please provide an organisational chart of your Government's administrative machinery, such as police, immigration control, customs, taxation and financial supervision authorities, established to give practical effect to the laws, regulations and other documents that are seen by your Government as contributing to compliance with the Resolution.***

30. For your information, please refer to the internet page of the Government of the Republic of Croatia (*http://www.vlada.hr/english/contents.html*).